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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF LAW**

**Odd Semester:** 2022 - 23

**MAKEUP EXAMINATION**

**Course Code:** LAW121

**Date:** 20 .01. 2023

**Course Name:** Sem-VII-LAW121-Principles of Taxation

**Time:** 00.00 AM – 00.00 AM

**Program & Sem:**

**Max Marks:** 100

BALLB(Hons.)/BBALLB(Hons.)/BCOMLLB(Hons.)

**Weightage:** 50%

**Instructions:**

- (i) Read all questions carefully before answering.  
(ii) Question paper consists of 3 parts

**Part A [Memory Recall Questions]**

**Answer all the Questions. Each question carries 2 marks.**

**(10Qx 2M= 20M)**

1. Define Direct tax

(CO1) [Knowledge level]

2. Explain the difference between Tax Evasion and Tax Planning.

(CO3) [Knowledge level]

3. Describe Agricultural income.

(CO1) [Knowledge level]

4. Distinguish between Tax and Fee.

(CO2) [Knowledge level]

5. Write a short note on the Income Tax Act,1961.

(CO1) [Knowledge level]

6. Describe the doctrine of immunity of instrumentalities.

(CO1) [Knowledge level]

7. Elucidate the difference between Deduction and Exemption

(CO3) [Knowledge level]

8. Distinguish the difference between Income Tax and GST with Examples.

(CO4) [Knowledge level]

9. State briefly the Tax deduction at source.

(CO3) [Knowledge level]

10. Distinguish between capital gain and income.

**Part B [Thought-Provoking Questions]**

**Answer all the Questions. Each question carries 10 marks. (4Qx10M=40M)**

1. Compensation on account of disaster received from a local authority by an individual or his/her legal heir is taxable. Examine the correctness of the statement with reference to the provisions of the Income-tax Act, 1961. (CO3) [Comprehension level]
2. Explain Adam Smith's Canons of Taxation. Write merits and demerits of taxation. (CO1) [Comprehension level]
3. Discuss the residential status of an assessee and his consequential tax liability under the Income-tax Act, 1961. (CO1) [Comprehension level]
4. Briefly discuss the structure, powers, and functions of the GST Council. (CO4) [Comprehension level]

**Part C [Problem-Solving Questions]**

**Answer all the Questions. Each question carries 20 marks. (2Qx20M=40M)**

1. B is carrying on the business of the sale of electric goods. C, an agent of B received the remuneration of Rs. 3 lakhs during the previous year 2014-15. Is C an assessee under the Income Tax Act, of 1961? If so, under what head? (CO3) [Application level]
2. Rural society has as its principal business the selling on behalf of its member societies, butter made by these societies from cream sold to them by farmers. The making of butter was a factory process separated from the farm. Explain whether the society is entitled to exemption under section 10(1) of the Income Tax Act, 1961. (CO1) [Application level]